

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 10398-I
MOUNTAIN UTILITIES, INC.)	

O R D E R

On March 21, 1989, the Commission issued its Order in Case No. 10398 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 1, 1990, Mountain Utilities, Inc. ("Mountain") notified the Commission that its wholesale cost of gas was decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective February 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mountain's notice of March 1, 1990 set out certain revisions in rates which Mountain proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$47,353 or \$.82 per Mcf.

2. Kentucky West filed an application for decreased rates to be effective February 1, 1990 with the Federal Energy Regulatory Commission. Kentucky West's rates are subject to refund; hence, Mountain's rates should be subject to refund.

3. Mountain's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 10398 dated March 21, 1989 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after February 1, 1990, subject to refund.

4. Mountain should file with this Commission the amount of any overcollections received from February 1, 1990 to the date the proposed rates are implemented, along with a refund plan.

IT IS HEREBY ORDERED that:

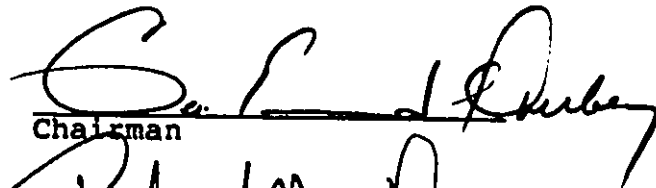
1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after February 1, 1990, subject to refund.

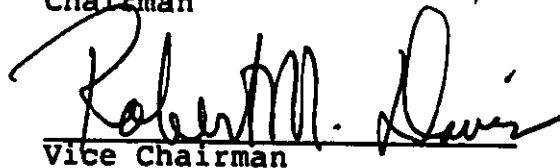
2. Within 30 days of the date of this Order, Mountain shall file with this Commission its revised tariffs setting out the rates authorized herein.

3. Within 30 days of the date of this Order, Mountain shall file the amount of any excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 16th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10398-I DATED 3/16/90

The following rates and charges are prescribed for the customers served by Mountain Utilities, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES: Monthly

First	1 Mcf	\$8.9706 per Mcf
All Over	1 Mcf	8.2106 per Mcf

Minimum Bill: \$8.97
(When less than 1 Mcf is used)

The base rate for the future application of the purchased gas adjustment clause of Mountain Utilities, Inc. shall be:

Commodity

Kentucky West Virginia Gas Company	\$3.2483/Dth*
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*Including \$0.0126 per Dth - Gas Research Institute Funding Charge and \$0.0017 per Dth Annual Charge Adjustment.